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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

Huey Jiuan Liang, an individual
Plaintiff,

v.

AWG Remarketing, Inc., a New
Jersey corporation; Group 3
Auctions, LLC, an Ohio limited
liability company; Columbus Fair
Auto Auction, Inc., an Ohio
corporation; and DOES 1 through
10, inclusive,

Defendants.

CASE NO.

COMPLAINT FOR:

- (1) Copyright Infringement;**
- (2) Contributory Infringement;**
- (3) Removal, Alteration and/or
Distribution of Copyright
Management Information;**
- (4) Conversion; and**
- (5) Slander of Title.**

DEMAND FOR JURY TRIAL

Plaintiff Huey Jiuan Liang (hereinafter "Liang") alleges:

JURISDICTION AND VENUE

1. This is an action for copyright infringement arising under the Copyright Act of 1976, 17 U.S.C. §§101 et. seq., and for related claims of contributory infringement, removal of copyright notice, conversion, and slander of title. This Court has jurisdiction of this action under 28 U.S.C. §§1331, 1338(a) and (b), and this Court's pendent jurisdiction.

2. Venue is proper in this district under 28 U.S.C. §§1391 and 1400(a) as each and all of the Defendants conduct business in this district.

PARTIES

3. Plaintiff, who is also known as “Jane Liang,” is, and at all times mentioned herein was, an individual residing in Orange County, California. Plaintiff was a partner in the California limited liability company, Automotive Remarketing Xchange, LLC (hereinafter “ARX LLC”). Plaintiff is the successor-in-interest to ARX LLC, and hereby the exclusive holder of all of its rights, title and interest in and to ARX LLC’s intellectual property including all applicable copyrights.

4. Upon information and belief, Defendant AWG Remarketing, Inc. (hereinafter “AWG”) is, and at all times mentioned herein was, a New Jersey corporation. AWG is in the automotive wholesale auction software business.

5. Upon information and belief, Defendant Group 3 Auctions, LLC (hereinafter “G3”) is, and at all times mentioned herein was, an Ohio limited liability company. G3 is in the automotive wholesale auction software business.

6. Upon information and belief, Defendant Columbus Fair Auto Auction, Inc. (hereinafter “CFAA”) is, and at all times mentioned herein was, an Ohio corporation. CFAA is in the automotive wholesale auction business.

7. Defendants Does 1 through 10, whose identities and addresses are unknown to Plaintiff, are individuals and/or corporate entities that are engaged in the unlawful activities complained of herein. The Complaint will be amended, if appropriate, to include the name or names of these individuals when such information becomes available.

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1 8. Plaintiff is informed and believes and thereon alleges that at all
2 times herein mentioned the Defendants, including all Defendants sued under
3 fictitious names, and those agents, employees, and/or independent
4 contractors identified herein, were the agent and/or employee of each of the
5 remaining Defendants, and in doing the things hereinafter alleged, were
6 acting within the course and scope of this agency or employment.

7 9. Defendants AWG Remarketing, G3, CFAA and DOES 1-10 shall
8 be collectively referred to in this Complaint as “Defendants.”

9 **BACKGROUND FACTS**

10 10. ARX LLC was primarily in the business of creating, developing,
11 marketing and distributing proprietary online software for the wholesale
12 automotive auction market. Among the computer programs created,
13 developed, marketed and distributed by Plaintiff was certain computer code
14 and webpages (hereinafter the “ARX Program”), the subject of infringement
15 in this Complaint.

16 11. At least as early as December 2010, ARX LLC began specifically
17 creating and developing the ARX Program as a state-of-the-art stand-alone
18 system for the automobile auction industry.

19 12. The ARX Program contains a substantial amount of wholly
20 original copyrightable material which is protectable under the laws of the
21 United States. The ARX Program includes at least two copyrighted
22 elements: (1) the code of the ARX Program, protected as literary works, and
23 (2) the screen shots of the ARX Program, protected as audiovisual works.

24 13. ARX LLC and Plaintiff have complied in all respects with the
25 Copyright Act of 1976, 17 U.S.C. §101 *et. seq.* and all other laws governing
26 copyright, and applied to the Register of Copyrights in order to obtain the
27 following Certificates of Registration for the ARX Program:
28

Item	Registration No.	Title of Work	Author
1	TX 7-718-189	Automotive Remarketing Xchange Computer Code AU	ARX
2	TX 7-718-190	Automotive Remarketing Xchange Computer Code DH	ARX
3	TX 7-718-192	Automotive Remarketing Xchange Computer Code DS	ARX
4	TX 7-718-195	Automotive Remarketing Xchange Computer Code FA	ARX
5	TX 7-718-196	Automotive Remarketing Xchange Computer Code NR	ARX
6	TX 7-718-198	Automotive Remarketing Xchange Computer Code ST	ARX
7	TX 7-718-203	Automotive Remarketing Xchange Computer Code UB	ARX
8	TX 7-718-209	Automotive Remarketing Xchange Computer Code TC	ARX
9	TXu 7-861-429	Automotive Remarketing Xchange Computer Code BR	ARX
10	TXu 7-861-430	Automotive Remarketing Xchange Computer Code DA	ARX
11	TXu 7-861-432	Automotive Remarketing Xchange Computer Code DR	ARX
12	TXu 7-861-439	Automotive Remarketing Xchange Computer Code EP	ARX
13	TXu 7-861-435	Automotive Remarketing Xchange Computer Code FT	ARX
14	TXu 7-861-434	Automotive Remarketing Xchange Computer Code IA	ARX
15	TXu 7-861-436	Automotive Remarketing Xchange Computer Code PA	ARX
16	TXu 7-861-437	Automotive Remarketing Xchange Computer Code TA	ARX
17	TXu 7-861-609	Automotive Remarketing Xchange Computer Code TS	ARX
18	VA 1-860-096	ARX Computer Webpage AD	ARX
19	VA 1-860-106	ARX Computer Webpage AH	ARX
20	VA 1-860-155	ARX Computer Webpage AS	ARX
21	VA 1-860-112	ARX Computer Webpage AU	ARX
22	VA 1-860-165	ARX Computer Webpage FA	ARX
23	VA 1-860-161	ARX Computer Webpage FB	ARX
24	VA 1-860-159	ARX Computer Webpage FF	ARX
25	VA 1-860-110	ARX Computer Webpage FM	ARX
26	VA 1-860-143	ARX Computer Webpage FQ	ARX
27	VA 1-860-144	ARX Computer Webpage FS	ARX
28	VA 1-860-153	ARX Computer Webpage FT	ARX
29	VA 1-860-098	ARX Computer Webpage VA	ARX
30	VA 1-860-095	ARX Computer Webpage XA	ARX

14. ARX LLC placed copyright notices on all copies of the ARX Program that it has produced. Any and all copies of the ARX Program published by ARX LLC, Plaintiff, or under either of their authority or license have been published in strict conformity with the provisions of the Copyright Act of 1976, 17 U.S.C. §101, *et. seq.*, and all other laws governing copyright.

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1 15. Instead of selling or marketing the ARX Program to competitors
2 with inferior front-end interfaces, ARX LLC set forth plans to acquire AWG
3 and integrate the ARX Program with AWG's robust database of automotive
4 vehicles and clients.

5 16. From late 2010, AWG worked with ARX LLC in hosting the
6 ARX Program and preparing for its restricted internet launch in January
7 2011.

8 17. Throughout 2011, ARX LLC continued to customize the ARX
9 Program with unique features, such as an integrated arbitration system, the
10 xCentral system which is a personalized control panel that enables a dealer,
11 one of which is Defendant CFAA, to monitor their transactions from the
12 time of purchase or sale to delivery, and a dealer ratings system showing the
13 number of deals closed, the number of returns, and customer ratings.

14 18. Since the creation of the ARX Program in late 2010, Plaintiff and
15 ARX LLC have expended substantial amounts of money for research and
16 development in order to improve and update the ARX Program. Start-up
17 capital alone for Plaintiff totaled nearly \$700,000.00 which provided the
18 financial backing necessary for the development of the ARX Program.

19 19. Despite past representations that AWG would sell to Plaintiff, on
20 or about December of 2011, Defendant AWG was secretly acquired by (and
21 is now a wholly-owned subsidiary of) Defendant G3. Defendant G3 was
22 specifically formed by its principals (one of which is an officer of CFAA
23 and another is Plaintiff's rouge partner in ARX LLC) for the purposes of
24 acquiring AWG.

25 20. Plaintiff, based on information and belief, alleges that on or about
26 December 2011, G3 gained access to the proprietary source code of
27 Plaintiff's ARX Program through the purchase of AWG.

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1 21. AWG and G3 and subsequently altered the ARX Program to
2 remove the access controls from Plaintiff resulting in unauthorized and
3 unconsented access to the ARX Program.

4 22. Plaintiff is informed and believes that since December of 2011,
5 Defendants have knowingly and willfully converted the original ARX
6 Program, reproduced the ARX Program, distributed copies of the ARX
7 Program, and otherwise used the ARX Program, all without obtaining a
8 valid license for use from Plaintiff.

9 23. Through the acquisition of AWG, CFAA (whose principals
10 arranged funding for G3's acquisition of AWG) gained unfettered access to
11 the ARX Program by a perpetual, royalty-free license fabricated by AWG
12 and G3.

13 24. Plaintiff has made demands on AWG and G3 that they refrain
14 from exploiting the ARX Program without consent of, and payment of
15 royalty to, Plaintiff.

16 25. Plaintiff has not been compensated by Defendants for use of the
17 ARX Program.

18 26. The natural, probable, and foreseeable result of the aforesaid
19 conduct of Defendants has been to deprive Plaintiff of licensing revenue
20 and to impose substantial expenses on Plaintiff to counteract the aforesaid
21 conduct.

22 27. Plaintiff is informed and believes and based thereon alleges that
23 unless enjoined by this Court, Defendants intend to continue their course of
24 conduct, and to wrongfully use, infringe upon, and otherwise profit from the
25 ARX Program.

26 28. As a direct and proximate result of the acts of the Defendants
27 alleged above, Plaintiff has already and continues to suffer irreparable
28 damage and sustain lost profits.

1 29. Plaintiff has no adequate remedy at law to redress all of the
 2 injuries the Defendants have caused and intend to cause by their conduct.
 3 Plaintiff will continue to suffer irreparable damage and to sustain lost
 4 profits until the Defendants' actions alleged above are enjoined by this
 5 Court.

6 **FIRST CLAIM FOR RELIEF**
 7 **AGAINST DEFENDANTS FOR**
 8 **COPYRIGHT INFRINGEMENT**
 9 **(17 U.S.C. §101, et seq.)**

10 30. Plaintiff realleges each and every allegation set forth in
 11 Paragraphs 1 through 29, inclusive, and incorporates them by reference
 12 herein.

13 31. By means of the actions complained of herein, Defendants have
 14 infringed and will continue to infringe Plaintiff's copyright in and relating
 15 to the ARX Program, by using and interfering with the ARX Program
 16 without authorization from Plaintiff.

17 32. Plaintiff is entitled to an injunction restraining Defendants, their
 18 officers, agents and employees and all persons acting in concert with them,
 19 from engaging in further such acts in violation of the copyright laws.

20 33. Plaintiff is further entitled to recover from Defendants the
 21 damages she has sustained and will sustain as a result of Defendants'
 22 wrongful acts as hereinabove alleged. The amount of such damages cannot
 23 be determined at this time. Plaintiff is further entitled to recover from
 24 Defendants the gains, profits and advantages they have obtained as a result
 25 of their wrongful acts as hereinabove alleged. Plaintiff presently is unable to
 26 ascertain the full extent of the gains, profits, and advantages Defendants
 27 have obtained by reason of their aforesaid acts of copyright infringement.

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SECOND CLAIM FOR RELIEF
AGAINST DEFENDANTS FOR
CONTRIBUTORY INFRINGEMENT
(17 U.S.C. §101, et seq.)

34. Plaintiff realleges each and every allegation set forth in Paragraphs 1 through 33, inclusive, and incorporates them by reference herein.

35. Plaintiff is informed and believes that since December 11, 2011, Defendants have knowingly and willfully used the ARX Program without obtaining consent for use from Plaintiff.

36. Defendants continued unlicensed use of the ARX Program is without authorization and infringes the copyright in the ARX Program, under which Plaintiff holds the sole, exclusive rights to publish, exploit, use and distribute the ARX Program.

37. Each defendant conspired to, with one or more Defendants, and did significantly facilitate the copyright infringement, and knowingly and materially contributed to the infringement of the ARX Program.

38. Such actions by Defendants were intentional, willful, wanton, and performed in total disregard of the rights of Plaintiff.

39. Plaintiff is entitled to an injunction restraining defendant, its officers, agents and employees and all persons acting in concert with them, from engaging in further such acts in violation of the copyright laws.

40. Plaintiff is further entitled to recover from defendant the damages she has sustained and will sustain as a result of defendant's wrongful acts as hereinabove alleged. The amount of such damages cannot be determined at this time. Plaintiff is further entitled to recover from defendant the gains, profits and advantages they have obtained as a result of their wrongful acts as hereinabove alleged. Plaintiff as at present is unable to ascertain the full

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1 extent of the gains, profits, and advantages defendant has obtained by
2 reason of its aforesaid act of copyright infringement.

3 **THIRD CLAIM FOR RELIEF**
4 **AGAINST DEFENDANTS FOR**
5 **REMOVAL, ALTERATION AND/OR DISTRIBUTION OF**
6 **COPYRIGHT MANAGEMENT INFORMATION**
7 **(17 U.S.C. § 1202)**

8 41. Plaintiff realleges each and every allegation set forth in
9 Paragraphs 1 through 40, inclusive, and incorporates them by this reference
10 herein.

11 42. Plaintiff is informed and believes that defendants AWG and G3
12 intentionally, willfully and knowingly removed Plaintiff's copyright
13 management information, including copyright notices, which were placed
14 on the ARX Program, and replaced them with fraudulent notices wrongfully
15 declaring the rights to the ARX Program as belonging to AWG and/or G3.

16 43. Plaintiff is informed and believes that defendants AWG and G3
17 distributed copyright management information knowing that the copyright
18 management information had been removed or altered without Plaintiff's
19 authority.

20 44. Plaintiff is informed and believes that defendants AWG and G3
21 distributed copies of ARX Program, knowing that copyright management
22 information has been removed or altered without authority of
23 Plaintiff, knowing, or, with respect to civil remedies under 17 U.S.C. §
24 1203, having reasonable grounds to know, that it will induce, enable,
25 facilitate, or conceal an infringement of any right under this title.

26 45. As a result of these acts, Plaintiff is entitled to statutory
27 damages awards of \$25,000.00 for each violation, as well as attorney fees
28 and injunctive relief under 17 U.S.C. § 1703.

FOURTH CLAIM FOR RELIEF
AGAINST DEFENDANTS FOR
CONVERSION

46. Plaintiff realleges each and every allegation set forth in Paragraphs 1 through 45, inclusive, and incorporates them by this reference herein.

47. The reasonable fair market value of the ARX Program will be proven at trial.

48. Since approximately December 2011, without Plaintiff's consent, Defendants have intentionally and substantially interfered with Plaintiff's ARX Program and altered the ARX Program's source code in order to allow unauthorized and unlicensed use of the ARX Program by G3 and AWG, thereby converting it to Defendants' own use and denying exclusive access to the ARX Program by Plaintiff.

49. As the natural, reasonable, and proximate result of Defendants' wrongful conversion of plaintiff's property, which a proper degree of prudence on plaintiff's part would not have averted, plaintiff must rewrite the ARX Program using another software development application causing injury to plaintiff in an amount which cannot be determined at this time.

50. Between the time of Defendants' conversion and the filing of this action, Plaintiff expended time and money in pursuit of the property.

FIFTH CLAIM FOR RELIEF
AGAINST DEFENDANTS FOR
SLANDER OF TITLE

51. Plaintiff hereby incorporates and realleges the allegations contained in Paragraphs 1 through 50, alleged herein.

52. Defendant AWG and Defendant G3 have published and distributed false statements concerning Plaintiff's title to and ownership of

1 rights in the ARX Program. The statements by AWG and G3 were not
2 privileged, and AWG and G3 knew, or in the exercise of reasonable care
3 should have known, that such statements would be relied upon by third
4 parties and would result in pecuniary loss to Plaintiff. In making these
5 statements, AWG and G3 acted with knowledge of or in conscious disregard
6 of the falsity of these statements.

7 53. As a proximate result of this unlawful disparagement of property
8 and slander of title, Plaintiff has suffered damages in an amount not yet
9 precisely ascertainable. Plaintiff shall insert herein by amendment the
10 precise amount of such damages when they have been precisely ascertained.

11 54. On information and belief, defendant AWG and defendant G3
12 have been guilty of oppression, fraud, and malice in doing the
13 aforementioned unlawful acts. Accordingly, Plaintiff is entitled to
14 exemplary or punitive damages, for the sake of example and by way of
15 punishing Defendants.

16 55. The aforesaid unlawful conduct of defendant AWG and defendant
17 G3 threatens to and will continue to cause Plaintiff to suffer pecuniary loss
18 unless preliminarily and permanently enjoined by this Court. Plaintiff has no
19 adequate remedy at law for Defendants' wrongful conduct, and the damages
20 resulting to Plaintiff from Defendants' wrongful conduct, and the conduct
21 itself, are continuing. Accordingly, Plaintiff is entitled, in addition to the
22 recovery of damages, to appropriate injunctive relief to prevent defendants
23 AWG and G3 from continuing to engage in the unlawful conduct herein
24 alleged.

25 **PRAYER FOR RELIEF**

26 WHEREFORE, Plaintiff requests judgment against Defendants, and
27 each of them, for the following:

- 28 1. That Defendants each be held to have infringed Plaintiff's

1 copyrights in its ARX Program;

2 2. That Defendants, their directors, officers, agents, servants,
3 employees, and all other persons in active concert or privity or in
4 participation with them, be enjoined from directly or indirectly infringing
5 Plaintiff's copyrights in the ARX Program;

6 3. That Defendants, their directors, officers, agents, servants,
7 employees, and all other persons in active concert or privity or in
8 participation with them, be enjoined to return Plaintiff any originals, copies,
9 facsimiles, or duplicates of the ARX Program in their possession, custody or
10 control;

11 4. That Defendants each be enjoined to deliver upon oath, to be
12 impounded during the pendency of this action, and for destruction pursuant
13 to judgment herein, all originals, copies, facsimiles, or duplicates of any
14 work shown by the evidence to infringe any of Plaintiff's copyrights;

15 5. That Defendants each be required to file with the Court and to
16 serve on Plaintiff, within 30 days after service of the Court's order as herein
17 prayed, a report in writing under oath setting forth in detail the manner and
18 form in which Defendants each complied with the Court's order;

19 6. That judgment be entered for Plaintiff and against Defendants, for
20 Plaintiff's actual damages according to proof in an amount not less than
21 \$1,000,000.00;

22 7. That judgment be entered for Plaintiff and against Defendants, for
23 any profits attributable to infringements of Plaintiff's copyrights, in
24 accordance with proof;

25 8. That Defendants each be required to account for all gains, profits,
26 and advantages derived from their acts of infringement and for their other
27 violations of law;

28 9. That all gains, profits, and advantages derived by Defendants from

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1 their acts of infringement and other violations of law be deemed to be in
2 constructive trust for the benefit of Plaintiff;

3 10. That judgment be entered for Plaintiff for damages sufficient to
4 indemnify plaintiff for the loss which is the natural, reasonable, and
5 proximate result of defendant's conversion in an amount to be determined
6 by proof at trial, or in the alternative, damages for the value of the property
7 at time of the conversion in an amount to be determined by proof at trial;

8 11. That Plaintiff be awarded prejudgment interest at the legal rate on
9 the value of the converted property pursuant to California Civil Code §
10 3336;

11 12. That Plaintiff be awarded damages for the time and money
12 properly expended in pursuit of the converted property in an amount to be
13 determined by proof at trial;

14 13. That Plaintiff be awarded statutory damages in an amount of
15 \$25,000.00 for each violation, as well as attorney's fees and injunctive relief
16 pursuant to 17 U.S.C. § 1703;

17 14. That Plaintiff be awarded punitive damages;

18 15. That Plaintiff be awarded attorney's fees and costs of suit; and

19 16. Any other and further relief the court considers proper.
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21 Date: October 17, 2013

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23 /Eric Goodman/

24 Eric J. Goodman

25 Attorneys for Plaintiff
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DEMAND FOR JURY TRIAL

Plaintiff requests a trial by jury on all issues so triable by right pursuant to Fed. R. Civ. P. 38.

Date: October 17, 2013

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/Eric Goodman/

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